

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

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In re

LLOYD SNEDDON,

Debtor.

**Case No. 8-16-70686-LAS
Chapter 7
Judge Louis A. Scarcella**

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**APPLICATION FOR AN ORDER AUTHORIZING EXAMINATION OF NATHAN’S
FAMOUS GROUP, L.P. PURSUANT TO BANKRUPTCY RULE 2004**

**TO: THE HONORABLE LOUIS A. SCARCELLA,
UNITED STATES BANKRUPTCY JUDGE**

Robert L. Pryor, Esq., the Chapter 7 Trustee (the “Trustee”) of the Bankruptcy Estate (the “Estate”) of Lloyd Sneddon, the Debtor (the “Debtor”) in the above-captioned Chapter 7 case, by and through his attorneys, Pryor & Mandelup, L.L.P., in support of his application (the “Application”), seeking entry of an Order, pursuant to Rule 2004(a), (b) and (c) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing the Trustee to examine Nathan’s Famous Group, L.P. by a partner or other authorized agent or representative, on certain matters relevant to the administration of the Estate and the conduct, liabilities, and financial affairs of Debtor, respectfully represents as follows:

1. This case was commenced by the filing of a Voluntary Petition for relief under Chapter 7 of the Bankruptcy Reform Act of 1978, as amended (the “Bankruptcy Code”), on February 24, 2016 (the “Filing Date”).

2. Robert L. Pryor, Esq. was appointed interim Trustee and at a first meeting of creditors held on March 23, 2016, became permanent Chapter 7 Trustee and is duly qualified and acting as such.

3. At the §341 Meeting, the Debtor testified that prior to his bankruptcy filing, he had transferred his interest in a business known as LBJ-47 LLC also known as the Funhouse (the “Funhouse”) to his brother, William Sneddon and one, Anil Sawant .

4. According to the contents of a lease executed by the principals of the Funhouse, this entity was operating at 229 Route 110, Farmingdale, New York 11735.

5. The Debtor then further testified that the transferees, William Sneddon and Anil Sawant, then transferred their interest in the Funhouse to Nathan’s Famous Group, L.P. a/k/a Nathan’s Frankfurter Corporation (hereinafter sometimes referred to as “Nathan’s”).

6. In order to learn more about the transfer of the Debtor’s interest in the Funhouse, the Trustee, by letter dated April 19, 2016 (the “April 19 Letter”) directed that the Debtor turnover the following information, including but not limited to:

- a. Bill of sale;
- b. Contracts;
- c. Any assumption of debt agreements;
- d. Copy of leases;
- e. Inventory of all assets/liabilities of The Fun House at the time the Debtor made the transfer; and
- f. Copies of tax returns for the Funhouse for the period 2012-2014.

7. With the exception of the production of a “Written Consent Of The Sole Member Of LBJ-47 In Lieu Of Meeting” dated June 1, 2014 (evidencing the transfer of the Debtor’s interest in the Funhouse to both William Sneddon and Anil Sawant) and copies of the Debtor’s personal tax returns for 2013 , the Debtor failed to provide any information responsive to the April 19 Letter.

8. By letter dated June 8, 2016 (the “June 8 Letter”), the Trustee once again reiterated his demand for the information requested in the April 19 Letter that had not been produced.

9. The Debtor failed to satisfactorily respond to the June 8 Letter.

10. In order to secure the Debtor's compliance, the Trustee obtained an Order of the Bankruptcy Court entered on August 8 , 2016 (the "August 8 Order") directing the Debtor to turnover to the Trustee various financial information with regards the Funhouse and the transfer of the Debtor’s interest therein .

11. The Debtor has since refused to obey the terms of the August 8 Order. As a consequence thereof, the Trustee has filed an Adversary Proceeding seeking to deny to the Debtor his Chapter 7 discharge.

12. Notwithstanding same, the Trustee has little or no information concerning the transfer of the Debtor’s interest in the Funhouse, or the transfer of William Sneddon’s and Anil Sawant’s subsequent transfer of their interest in the Funhouse to Nathan’s.

13. This Application is made pursuant to Bankruptcy Rule 2004 for an Order authorizing the issuance of a Subpoena and directing the examination and production of documents by Nathan's. Bankruptcy Rule 2004 provides in pertinent part as follows:

A. Examination on Motion. On motion of any party in interest, the court may order the examination of any entity.

B. Scope of Examination. The examination of an entity under this Rule or of the debtor under Section 343 of the Code may relate only to the acts, conduct, or property or to the liabilities and financial condition of the debtor, or to any matter which may effect the administration of the debtor's estate, or to the debtor's right to a discharge....

C. Compelling Attendance and Production of Documentary Evidence. The attendance of an entity for examination and the production of documentary evidence may be compelled in the manner provided in Rule 9016 for the attendance of witnesses at a hearing or trial.

14. Applicant requires the information concerning the transfer of William Sneddon's and Anil Sawant's interest in the Funhouse to Nathan's in order to fix and determine what the value of the Debtor's interest in the Funhouse was at the time he transferred same to both William Sneddon and Anil Sawant on or about June 1, 2014. In furtherance of that end, request is made herein for the entry of the pre-fixed Order authorizing the Trustee to conduct a Bankruptcy Rule 2004 examination of Nathan's Famous Group, L.P. by a partner or other authorized agent or representative. A copy of the proposed Subpoena for Rule 2004 Examination is annexed to the pre-fixed Order at **Exhibit "A"**.

15. Applicant review of information provided by the Secretary of State's Office indicates that the Registered Agent for Nathan's is Aegis Resources, Inc. Predicated upon same, Applicant seeks authorization to serve a copy of the subpoena upon Nathan's Famous Group, L.P. care of their Registered Agent, Aegis Resources, Inc., located at 70 East Sunrise Highway, Suite 415, Valley Stream, NY 11581 Attention: Robert Eide, President, by certified mail, return receipt requested, as opposed to personal service, which Applicant believes is good and sufficient service.

16. There has been no prior request for the relief requested herein.

WHEREFORE, the Trustee respectfully requests that this Court enter the pre-fixed order, which is consistent with the relief requested herein, and for such other and further relief as this Court may deem just and proper.

Dated: Westbury, New York
October 24, 2016

PRYOR & MANDELUP, L.L.P.
Attorneys for the Trustee

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